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SUBJECT   Walter Ulbricht's Views on   ~~NO. OF PAGES~~   1
           Russian Tactics at CFM
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1. ████████████████ Ulbricht gave the SED Politbüro the
following exposition of Russian tactics at the CFM. The
USSR wishes above all to reestablish economic connections
with western Europe and western Germany in order to tap
the bounty of the Marshall Plan. The political unity of
Germany is not desired because the present division into
zones is less dangerous since it wards off USA influence
from the Russian zone. It is just as important for the
USSR to take advantage of western economic generosity now
as it was after the World War. This was the sole purpose
of calling the CFM. The Russians chose a moment when there
was confusion among the western powers as to the desirability
of East-West trade.

2. The USA, according to Ulbricht, is completely disinterested
in East-West trade since its economic position is still so
strong that it can consider the entire problem on a political
and military basis. Great Britain, on the other hand, is
being driven from world markets by the USA. The USSR has
conducted numerous trade negotiations with Great Britain
largely to sound out her economic position. The British
have noted that the Marshall Plan has installed western
Germany as a powerful rival for markets. The British hope
to turn west German production toward the East in order to
save their own markets. British economic policy thus
approaches Russian views and recedes from American.

3. The USSR accordingly hopes that the British will force an
agreement at Paris that will reestablish East-West trade.
The USSR will then drain off the benefits of the Marshall
Plan and wait for the proper moment for political penetra-
tion of the West.

4. This policy will still allow the USSR to blame the western
powers for the lack of political unity. The East will seek
to take advantage of new trade opportunities as rapidly as
possible in order to occupy an advantageous position in the
event of subsequent worsening relations.

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